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CMD Interview In EGov Magazine



REC - REDEFINING ENERGY INDUSTRY

REC is committed to both financial strength and broader societal impact, positioning itself as a premier financing institution for the nation's development, shares **Vivek Kumar Dewangan, CMD, REC Limited** in an exclusive interaction with **Rajiv Ranjan** of **Elets News Network (ENN)**.

What is the outlook of REC for FY 2025?

Our primary focus is improving the quality of our loan assets, underlining our commitment to reliability and stability. Additionally, remaining competitive in the market by mobilizing resources at a cheaper level will be one of our key focus areas. Our aggressive support to the RE transition of Govt of India aligns with the broader societal responsibilities towards sustainable practices. Moreover, diversification is a strategic move, and expanding into core infrastructure and logistics sectors is on our agenda. This expansion is geared towards amplifying our footprint and contributing to the nation's infrastructural development. With a clear vision in place, our goal is to achieve 6 Lakh Crore loan assets based Company by FY 2025. These initiatives collectively underscore our commitment to both financial strength and broader societal impact, positioning REC as a premier Financing institution for the development of the Nation, for a promising future.

How is REC promoting green financing for the Indian power sector?

REC's loan book in the renewable energy space has grown from Rs.75.06 billion i.e. 3% of REC's loan book of Rs.2.39 trillion in FY 2017-18 to Rs.298.33 billion i.e. 6% of REC loan book of Rs.4.74 trillion in FY 2022-23. This figure is expected to increase

exponentially owing to approvals of Rs.499.29 billion in the first half of FY 2023-24 and we target to increase our renewable energy portfolio to 30% of the loan book by FY2030.

REC is looking forward to financing of the entire RE power value chain. REC RE financial assistance includes Projects viz. Wind, Solar, Hybrid, Round the Clock (RTC), E-Bus, Pumped Storage Projects (PSP), Solar Cell and Module manufacturing, Waste to Energy Projects, Projects under KUSUM Scheme etc. Furthermore, we are actively pursuing financing of Green Hydrogen and Ammonia, Ethanol production open to new and upcoming technology based initiatives in space. These technologies have immense potential in terms of energy storage, decarbonization, and reducing reliance on traditional fossil fuels. Aggressive efforts in this direction would reduce the cost as well as demand for fossil fuels to create a sustainable future and thriving planet for future generations.

Can you elaborate on REC's role in the Revamped Distribution Sector Scheme (RDSS)?

RDSS has an investment outlay of over Rs 3 lakh crore over four years, with the Govt providing a grant of only Rs 97,000 crore. The remaining will come from states or through financing. REC and PFC are going to finance about Rs 1.2 lakh crore. REC is taking care of 19 states and 36 out of 56 discoms. We're not just



» **VIVEK KUMAR DEWANGAN**
Chairman and Managing Director
REC Limited

the financing arm but also involved in preparing detailed project reports and implementation. We act as the project monitoring agency as well.

What are the key initiatives of REC under its Corporate Social Responsibility (CSR) policy?

On the CSR front, we have been following the guidelines the Department of Public Enterprises issued. For the last two or three years, the Department of Public Enterprises has given us the guideline that 60 per cent of expenditure should be on health and sanitation, which we have been able to adhere to. Besides health and sanitation, we also focus on rural development and infrastructure. We have signed anMoU with the National Sports Development Fund and are financing three major games - badminton, boxing, and athletics. We are committed to giving grants up to Rs 100 crore over the next three years, and we hope that we will be able to nurture the potential players who can win medals for the country. 🇮🇳

Thank You
